

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 22 – SB 1138

March 26, 2015

SUMMARY OF BILL: Prohibits an institution of higher education from requiring an applicant for admission to disclose information concerning any arrest, criminal charge, or criminal conviction of the applicant that has been expunged; or knowingly inquiring about any arrest, criminal charge, or criminal conviction of the applicant that has been expunged. Declares that an applicant is not required, in response to any question concerning any arrest or criminal charge that has not resulted in a conviction, to include a reference to or information concerning an arrest, criminal charge, or criminal conviction that has been expunged. Declares that nothing in this section shall create a private right of action against an institution of higher education or the institution's agents or employees.

Prohibits an employer from requiring an applicant for employment to disclose information concerning any arrest, criminal charge, or criminal conviction of the applicant that has been expunged; or knowingly inquiring about any arrest, criminal charge, or criminal conviction of the applicant that has been expunged. Prohibits an employer to deny an application solely because of an applicant's refusal or failure to disclose information on expunged records. Requires a public employer to advise applicants that state law allows the applicant to not refer to any expunged records and that applicants cannot be denied solely because of refusal to discuss expunged records.

Authorizes any person having a reason to believe that a private employer has violated these provisions to file a complaint with the Department of Labor and Workforce Development (DLWD). Requires the Commissioner of DLWD to conduct an investigation or a contested case hearing on any filed complaint. Creates a civil penalty of not less than \$500, at the discretion of the Commissioner for any private employer found to be knowingly in violation of the provisions of the bill.

ESTIMATED FISCAL IMPACT:

Increase State Revenue – Exceeds \$1,500/FY15-16 and Subsequent Years

**Increase State Expenditures – \$276,300/FY15-16
\$265,600/FY16-17 and Subsequent Years**

Assumptions:

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- The Tennessee Higher Education Commission, the Secretary of State, and the State Treasurer all report that there is no operational impact that will affect their departmental expenditures.
- The Department of Labor and Workforce Development (DLWD) reports additional positions will be required to conduct the provisions of this bill.
- DLWD reports an additional three labor standards inspectors, two administrative assistants, and one attorney will be required.
- The recurring increase in state expenditures associated with the positions (for salaries, benefits, training, travel, etc.) is estimated to be \$265,557.
- DLWD confirms a one-time system modification will be required. The one-time increase in state expenditures for performing the system change is estimated to be \$10,722.
- DLWD estimates 156 warnings each year for violations of the provisions of the bill. The department projects a minimum of three each year that will result in second violations prompting a civil penalty of \$500. Thus, the recurring increase in state revenue is estimated to exceed \$1,500 (3 x \$500).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.



Jeffrey L. Spalding, Executive Director

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